

City of Frontenac, Kansas

**Independent Auditor's Report &
Financial Statement
With Supplementing Information**

December 31, 2016

**Jerry D. Mitchell, CPA, LLC
1080 N. Pebble Creek Road
Nixa, Missouri 65714**

City of Frontenac, Kansas

December 31, 2016

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Jerry D. Mitchell, CPA, LLC
1080 N. Pebble Creek Road
Nixa, Missouri 65714

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Frontenac, KS

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance of the City of Frontenac, Kansas, as of and for the year ended December 31, 2016, and the related notes to the financial statement.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the City's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Frontenac, Kansas to meet the requirements of the State of Kansas based on the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Frontenac, Kansas as of December 31, 2016, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

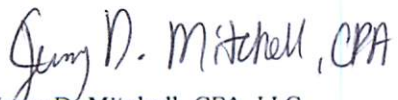
In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Frontenac, Kansas, as of December 31, 2016, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Other Matters

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures -actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget, (schedules 1 and 2), as listed in the table of contents, are presented for analysis and are not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2015 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, was audited by other auditors whose report thereon dated December 21, 2016, expressed an unmodified opinion on the respective financial statement. The report of the other auditors dated December 21, 2016, stated that the 2015 comparative information was subjected to the auditing procedures applied in the audit of the 2015 basic financial statement, and certain additional auditing procedures, including comparing and reconciling information directly to the underlying accounting and other records used to prepare the basic financial statement, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2015. The 2015 basic financial statement and accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>.


Jerry D. Mitchell, CPA, LLC
Nixa, Missouri
December 28, 2017

City of Frontenac, Kansas

Summary Statement of Cash Receipts, Expenditures and Unencumbered Cash Regulatory Basis For the Year Ended December 31, 2016

Funds	Beginning Cash and Investment Balance, Restated	Cash Receipts	Expenditures	Unencumbered Ending Cash and Investment Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash and Investment Balance
General Fund	\$ 210,914	\$ 2,487,066	\$ 2,096,292	\$ 601,688	\$ 6,000	\$ 607,688
Special Purpose Funds						
Special Highway	53,880	103,345	74,207	83,018	-	83,018
Special Parks & Recreation	3,568	72,786	75,925	429	-	429
Special Equipment Reserve	181,951	45,425	-	227,376		227,376
Debt Service Funds						
Bond & Interest	190,067	343,590	397,192	136,465	-	136,465
Temporary Note-Sewer	200,548	28,188	228,736	-	-	-
Business (Enterprise) Funds						
Water	430,601	576,655	459,306	547,950	-	547,950
Sewer	141,919	579,488	434,165	287,242	-	287,242
Total	\$ 1,413,448	\$ 4,236,543	\$ 3,765,823	\$ 1,884,168	\$ 6,000	\$ 1,890,168
Composition of Cash and Investments:						
Checking Account	\$ 1,171,195					\$ 1,649,982
Certificate of Deposits	\$ 265,791					\$ 266,858
Total Cash and Investments	\$ 1,436,986					\$ 1,916,840
Less Agency Fund (Meter Deposits)	\$ (23,538)					\$ (26,672)
	\$ 1,413,448					\$ 1,890,168

The notes to the financial statement are an integral part of this statement.

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity: The City of Frontenac is a municipal corporation governed by an elected eight-member council. The City has considered whether any other organizations should be included in the reporting entity based upon the significance of their operation or financial relationships with the City, and has determined no other outside organizations should be included as a component unit in the City's financial statements.
- B. Regulatory Basis Fund Types
The accounts of the City are organized on the basis of funds, each of which is considered to be a separate reporting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its cash, liabilities, fund equity, revenues and expenditures. The types of funds maintained by the City are as follows:
General Fund: the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.
Special Purpose Fund: Used to account for the proceeds of specific tax levies and other specific regulatory receipt sources other than capital project and tax levies for long term debt.
Bond and Interest Fund: used to account for the accumulation of resources, including tax levies, transfers and other funds and payment of general long term debt.
Capital Project Fund: used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.
Business Fund: funds financed in whole or in part by fees charged to users of the goods or services, (i.e, enterprise and internal service fund, etc).
Agency Fund: funds used to report assets held by the City in purely a custodial capacity for water deposits held.
- C. Basis of Accounting: The regulatory basis of accounting, as used in the preparation of these regulatory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an inter-fund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The municipality has approved a resolution/ordinance that is in compliance with K.S.A. 75-1120a (c), waiving the requirement for application of generally accepted

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

accounting principles and allowing the municipality to use the regulatory basis of accounting.

- D. Departures from Generally Accepted Accounting Principles: The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense; liabilities such as deferred revenue and matured principal and interest payable; and reservations of fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures, as reported, do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Fixed assets that account for land, buildings, and equipment owned by the municipality are not presented in the financial statement. Also, long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statement.
- E. Investments: Investments are recorded at cost. Investment gains and losses are recognized upon disposition of the security or the occurrence of a permanent decline in market value.
- F. Pooled Cash: The City maintains various bank accounts and certificates of deposit for its pooled cash. Each fund's equity in these accounts is presented as "cash and investments" in the statements. Interest income is recorded in the General and Utility Funds.

NOTE 2: DEPOSITS AND INVESTMENTS

Collateral is required for demand deposits and certificates of deposit. The market value of the collateral must equal 100% of the deposits in excess of deposit insurance. Obligations that may be pledged as collateral are of the same type as authorized for investment by the City. Obligations pledged to secure deposits are delivered to the safekeeping division of the custodial bank.

At December 31, 2016, the City had deposits, including certificates of deposit, of \$2,052,431, 100% of which was covered by federal depository insurance and/or collateralized by U.S. Government or agency securities subject to joint custody safekeeping receipts issued by the custodial financial institution, which was not the pledging institution, as required by Kansas statutes.

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2016

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

The City had no investments at December 31, 2016.

State law (KSA 12-1675 to 12-1678) allows monies not otherwise regulated by statute to be invested in:

1. Temporary notes or no fund warrants of the City of Frontenac.
2. Time deposits, open accounts or certificates of deposit with maturities of not more than two years in commercial banks which have offices located in the City of Frontenac.
3. Time certificates of deposit with maturities of not more than two years in state or federally chartered savings and loan associations or federally chartered savings banks which have offices located in the City of Frontenac.
4. Repurchase agreements (for direct obligations of or obligations insured as to principal and interest by the U.S. Government or U.S. Government agencies) with commercial banks, state or federally insured chartered savings and loan associations or federally chartered savings banks which have offices located in the City of Frontenac.
5. U.S. Treasury bills or notes with maturities not exceeding two years, purchased from any state or national bank, state or federally chartered savings and loan association or federally chartered savings bank with offices within the State of Kansas or the Federal Reserve Bank of Kansas City, Missouri.
6. The municipal investment pool fund established in K.S.A. 12-1677a.
7. Investments authorized in accordance with the conditions prescribed in K.S.A. 12-1677b.
8. Multiple municipal client investment pools managed by the trust departments of commercial banks which have offices in Crawford County.
9. Concentration of credit risk. State statutes place no limit on the amount the government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.
10. Custodial credit risk.-deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas., the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2016.

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2016

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Cash and investments, Per Bank, at December 31, 2016, were:

Deposits:	
Checking accounts	\$1,785,573
Certificates of deposit	<u>\$ 266,858</u>
Total	<u>\$2,052,431</u>

Total cash and investments, after deducting outstanding checks and deposits in transit was \$1,916,840 at December 31, 2016.

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the Government's funds have a main or branch bank in the county in which the Government is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Government has no other policies that would further limit interest rate risk.

NOTE 3: BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempt by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2016

NOTE 3: BUDGETARY INFORMATION (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting. Revenues are recognized when cash is received. Expenditures include disbursements and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, temporary note fund or equipment reserve fund, under statutory authority for exemption, K.S.A. 12-1, 117.

NOTE 4: LONG-TERM DEBT

At December 31, 2016, the City had various general obligation bond issuances outstanding. On March 25, 2015, the City issued \$250,000 in general obligation temporary notes, series 2015A for certain internal improvements of the City. On August 18, 2016, the City paid off the balance outstanding balance owed on the debt issuance.

Following is a detailed listing of the municipality's long-term debt including capital leases:

Debt Issue	Date Issued	Original Amount	Interest Rate
G.O. Bonds Series 2015	03/02/2015	\$250,000	Varies
G.O. Bonds Series 2013	05/01/2013	\$1,365,000	2.00%-2.10%
G.O. Bonds Series 2010	09/15/2010	\$250,000	2.5%-4.75%
G.O. Bonds Series 2005	05/01/2005	\$1,812,000	3.4%-6.25%
G.O. Bonds Series 2008	04/01/2008	\$1,885,000	2.85%-4.85%
KDHE Revolving 1345-01	12/04/2008	\$2,688,832	3.44%
KS Water Pollution Control	01/13/2016	\$173,155	2.18%

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2016

NOTE 4: LONG-TERM DEBT (Continued)

Capital Leases	Date Issued	Original Amount	Interest Rate
2012 Backhoe	09/25/2012	\$87,604	3.30%
2012 Chevy Silverado	04/05/2012	\$30,281	3.25%
2013 Excavator	09/20/2013	\$24,471	4.30%
2015 Chevy Silverado	04/14/2014	\$36,000	3.5%
2017 Chevy Silverado	11/15/2016	\$30,552	2.99%

The following is a summary of changes in the long-term debt for the year ended December 31, 2016:

	Principal Outstanding 12/31/2015	Additions to Principal & Drawdowns	Reduction In Principal	Principal Outstanding 12/31/2016
Gen. Obligation Bonds				
Series 2015	\$225,000	\$0	\$225,000	\$0
Series 2013	\$1,115,000	\$0	\$155,000	\$960,000
Series 2010	\$139,000	\$0	\$25,000	\$114,000
Series 2005	\$355,000	\$0	\$65,000	\$290,000
Series 2008	\$1,430,000	\$0	\$85,000	\$1,345,000
KDHE Revolve 1345-01	\$329,678	\$0	\$162,028	\$167,650
KS Water Pollution Control	\$0	\$173,155	\$0	\$173,155
Total G.O. Bonds & Revolving Loans	\$3,593,678	\$173,155	\$717,028	\$3,049,805

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT - REGULATORY BASIS

December 31, 2016

NOTE 4: LONG-TERM DEBT (Continued)

	Beginning Principal Outstanding	Additions to Principal	Reductions Of Principal	Ending Principal Outstanding
Capital Leases:				
2012 Backhoe	\$44,807	\$0	\$11,412	\$33,395
2017 Chevy Silverado	\$0	\$30,552	\$848	\$29,704
2013 JD Excavator	\$14,262	\$0	\$4,992	\$9,270
2015 Chevy Silverado	\$6,222	\$0	\$6,222	\$0
2013 Chevy Impala	\$2,681	\$0	\$2,681	\$0
Total Capital Leases	\$67,972	\$30,552	\$26,155	\$72,369
Total Debt	\$3,661,650	\$203,707	\$743,183	\$3,122,174

Kansas Department of Health and Environment Revolving Loans

At December 31, 2016, the City had one loan outstanding with the Kansas Department of Health and Environment (KDHE), project number 1345-01. Project number 1345-01 had a principal balance of \$167,650 issued for water pollution control improvements.

During the year ended December 31, 2016, the City issued a loan and received proceeds in the amount of \$173,155 through the Kansas Water Pollution Control Program for sewer improvements.

Because these revolving loans do not have established future principal and interest payments due to unknown future draw downs, those loans are not included in the summary schedule of future principal and interest.

Please see pages 11-14 for the summary schedule of future principal and interest payments for all of the City's long-term debt obligations as of December 31, 2016.

City of Frontenac, Kansas
NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS
December 31, 2016

NOTE 4: LONG-TERM DEBT (Continued)

	Year				
	2017	2018	2019	2020	2021
PRINCIPAL:					
General Obligation (G.O.) Bonds					
G.O. Bonds Series 2013	\$ 145,000.00	\$ 150,000.00	\$ 100,000.00	\$ 100,000.00	\$ 115,000.00
<i>Water & Street Improvements</i>					
G.O. Bonds Series 2010	\$ 26,000.00	\$ 28,000.00	\$ 29,000.00	\$ 31,000.00	\$ -
<i>Street Improvements</i>					
G.O. Bonds Series 2008	\$ 85,000.00	\$ 90,000.00	\$ 95,000.00	\$ 100,000.00	\$ 105,000.00
<i>Public Building Improvements</i>					
G.O. Bonds Series 2005-B	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
<i>FSCC Building & Land</i>					
TOTAL BONDS	\$ 286,000.00	\$ 298,000.00	\$ 259,000.00	\$ 266,000.00	\$ 255,000.00
Capital Leases					
2012 Backhoe	\$ 11,794.70	\$ 12,189.87	\$ 9,410.54	\$ -	\$ -
2013 Excavator	\$ 5,211.19	\$ 4,058.53	\$ -	\$ -	\$ -
2017 Chevy Silverado (Public Works)	\$ 10,183.80	\$ 10,183.80	\$ 9,335.15	\$ -	\$ -
TOTAL CAPITAL LEASES	\$ 27,189.69	\$ 26,432.20	\$ 18,745.69	\$ -	\$ -
GRAND TOTAL PRINCIPAL	\$ 313,189.69	\$ 324,432.20	\$ 277,745.69	\$ 266,000.00	\$ 255,000.00

City of Frontenac, Kansas
NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS
December 31, 2016

NOTE 4: LONG-TERM DEBT (Continued)

	Year				
	2017	2018	2019	2020	2021
INTEREST:					
General Obligation (G.O.) Bonds					
G.O. Bonds Series 2013	\$ 19,320.00	\$ 16,420.00	\$ 13,420.00	\$ 11,420.00	\$ 9,420.00
<i>Water & Street Improvements</i>					
G.O. Bonds Series 2010	\$ 1,419.50	\$ 2,280.00	\$ 1,622.00	\$ 868.00	\$ -
<i>Street Improvements</i>					
G.O. Bonds Series 2008	\$ 29,725.00	\$ 56,305.00	\$ 52,975.00	\$ 49,460.00	\$ 45,460.00
<i>Public Building Improvements</i>					
G.O. Bonds Series 2005-B	\$ 17,800.00	\$ 16,000.00	\$ 14,200.00	\$ 12,100.00	\$ 10,000.00
<i>FSCC Building & Land</i>					
TOTAL BONDS	\$ 68,264.50	\$ 91,005.00	\$ 82,217.00	\$ 73,848.00	\$ 64,880.00
Capital Leases					
2012 Backhoe	\$ 924.70	\$ 529.53	\$ 130.01	\$ -	\$ -
2013 Excavator	\$ 296.69	\$ 73.38	\$ -	\$ -	\$ -
2017 Chevy Silverado (Public Works)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL LEASES	\$ 1,221.39	\$ 602.91	\$ 130.01	\$ -	\$ -
GRAND TOTAL INTEREST	\$ 69,485.89	\$ 91,607.91	\$ 82,347.01	\$ 73,848.00	\$ 64,880.00
TOTAL PRINCIPAL & INTEREST	\$ 382,675.58	\$ 416,040.11	\$ 360,092.70	\$ 339,848.00	\$ 319,880.00

City of Frontenac, Kansas
NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS
December 31, 2016

NOTE 4: LONG-TERM DEBT (Continued)

	Year				
	2022-26	2027-31	2032-36	2037	Total
PRINCIPAL:					
General Obligation (G.O.) Bonds					
G.O. Bonds Series 2013	\$ 350,000.00	\$ -	\$ -	\$ -	\$ 960,000.00
<i>Water & Street Improvements</i>					
G.O. Bonds Series 2010	\$ -	\$ -	\$ -	\$ -	\$ 114,000.00
<i>Street Improvements</i>					
G.O. Bonds Series 2008	\$ 595,000.00	\$ 275,000.00	\$ -	\$ -	\$ 1,345,000.00
<i>Public Building Improvements</i>					
G.O. Bonds Series 2005-B	\$ 125,000.00	\$ -	\$ -	\$ -	\$ 290,000.00
<i>FSCC Building & Land</i>					
TOTAL BONDS	\$ 1,070,000.00	\$ 275,000.00	\$ -	\$ -	\$ 2,709,000.00
Capital Leases					
2012 Backhoe	\$ -	\$ -	\$ -	\$ -	\$ 33,395.11
2013 Excavator	\$ -	\$ -	\$ -	\$ -	\$ 9,269.72
2017 Chevy Silverado (Public Works)	\$ -	\$ -	\$ -	\$ -	\$ 29,702.75
TOTAL CAPITAL LEASES	\$ -	\$ -	\$ -	\$ -	\$ 72,367.58
GRAND TOTAL PRINCIPAL	\$ 1,070,000.00	\$ 275,000.00	\$ -	\$ -	\$ 2,781,367.58

City of Frontenac, Kansas
NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS
December 31, 2016

NOTE 4: LONG-TERM DEBT (Continued)

	Year				
	2022-26	2027-31	2032-36	2037	Total
INTEREST:					
General Obligation (G.O.) Bonds					
G.O. Bonds Series 2013	\$ 14,460.00	\$ -	\$ -	\$ -	\$ 84,460.00
<i>Water & Street Improvements</i>					
G.O. Bonds Series 2010	\$ -	\$ -	\$ -	\$ -	\$ 6,189.50
<i>Street Improvements</i>					
G.O. Bonds Series 2008	\$ 154,265.00	\$ 20,127.50	\$ -	\$ -	\$ 408,317.50
<i>Public Building Improvements</i>					
G.O. Bonds Series 2005-B	\$ 15,937.50	\$ -	\$ -	\$ -	\$ 86,037.50
<i>FSCC Building & Land</i>					
TOTAL BONDS	\$ 184,662.50	\$ 20,127.50	\$ -	\$ -	\$ 585,004.50
Capital Leases					
2012 Backhoe	\$ -	\$ -	\$ -	\$ -	\$ 1,584.24
2013 Excavator	\$ -	\$ -	\$ -	\$ -	\$ 370.07
2017 Chevy Silverado (Public Works)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL LEASES	\$ -	\$ -	\$ -	\$ -	\$ 1,954.31
GRAND TOTAL INTEREST	\$ 184,662.50	\$ 20,127.50	\$ -	\$ -	\$ 586,958.81
TOTAL PRINCIPAL & INTEREST	\$ 1,254,662.50	\$ 295,127.50	\$ -	\$ -	\$ 3,368,326.39

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2016

NOTE 5: DEFINED BENEFIT PENSION PLAN

Plan Description: The City of Frontenac, KS participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit plan as provided by K.S.A. 74-4901 et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at sss.kpers.org or by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions: K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 9.18% for the fiscal year ended December 31, 2016. Contributions to the pension plan from the City of Frontenac, KS were \$95,431 for the year ended December 31, 2016.

NOTE 6: NET PENSION LIABILITY

At December 31, 2016, the City of Frontenac, Kansas's proportionate share of the collective net pension liability reported by KPERS was \$1,032,673. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The City of Frontenac, Kansas's proportion of the net pension liability was based on the ratio of the City of Frontenac, Kansas' contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2016

NOTE 6: NET PENSION LIABILITY (continued)

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERs collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE 7: COMPENSATED ABSENCES

The City's policy is to pay employees for vacation leave for up to 12 days per year for the first 10 years of service, 18 days per year for service 11 to 15 years, 21 days for service between 16 and 20 years and a maximum of 24 days per year for those with 20 years and more of service to the City. Employees are paid for any unused vacation leave upon termination. Employees also have the right to be paid for up to 40 hours of unused vacation leave each year if requested by December 1 of each year.

The City's employees also earn eight hours of sick leave for each full month of service. There is no limit to the amount of sick leave hours which may be accumulated. An employee shall not be paid for any unused sick leave upon termination of employment.

NOTE 8: CONCENTRATIONS OF CREDIT RISK

Credit is extended to utility customers on a partially-secured basis with a cash deposit required at the inception of service.

NOTE 9: RISK MANAGEMENT

The City is exposed to various risks of loss from torts; theft of, damage to; and destruction of assets; business interruption; errors and omissions; employee injuries and illness; natural disasters; and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters.

NOTE 10: INTERFUND TRANSFERS

In compliance with K.S.A. 12-101(a) and K.S.A. 12-825(d), the following operating transfers were as follows for the year ended December 31, 2016:

From	To	Amount
General Fund	Park & Recreation Fund	\$50,000
General Fund	Equipment Reserve Fund	\$37,131
Sewer Fund	Equipment Reserve Fund	\$4,147
Water Fund	Equipment Reserve Fund	\$4,147
Water Fund	Temporary Sewer Note Fund	\$28,188

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2016

NOTE 11: EVALUATION OF SUBSEQUENT EVENTS

The organization has evaluated subsequent events through December 28, 2017, the date which the financial statements were available to be issued.

NOTE 12: CAPITAL PROJECTS

At December 31, 2016, capital projects authorizations, with approved change orders, compared with expenditures from inception are as follows:

<u>Project Name</u>	<u>Expenditures to Date</u>	<u>Project Authorization</u>	<u>Completion Date</u>
Street Overlay	\$0	\$75,000	In progress
Cow Creek Sewer Main	\$110,225	\$110,225	12/20/2016
Leighton Street Pump Station	\$0	\$128,350	In progress

NOTE 13: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City was not in compliance with Kansas statute, K.S.A. 10-816, as it has checks outstanding greater than two years and not restored to the fund originally charged.

NOTE 14: RESTATEMENT OF BEGINNING FUND BALANCES

The beginning cash balance of the following funds were restated as of December 31, 2015 to accurately reflect the beginning balance of water meter deposits maintained as of January 1, 2016.

	Balance 12/31/15	Adjustment	Balance 1/1/16 Restated
Water Meter Deposit Fund	\$49,822	(\$26,284)	\$23,538
Water Fund	\$417,459	\$13,142	\$430,601
Sewer Fund	\$128,777	\$13,142	\$141,919

NOTE 15: OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the municipality makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

**Jerry D. Mitchell, CPA, LLC
1080 N. Pebble Creek Road
Nixa, Missouri 65714**

City of Frontenac
Frontenac, Kansas

In planning and performing my audit of the financial statement of the City of Frontenac, Kansas, as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, I considered the City's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing our opinion on the financial statement but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I do not express an opinion on the effectiveness of the City's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified certain deficiencies in internal control that I consider to be a material weakness or a significant deficiency.

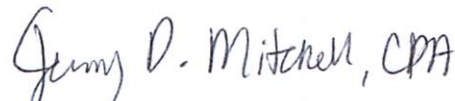
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. I consider the following to be a material weakness:

The City failed to appropriately allocate water meter deposits to the Water and Sewer Fund cash account over the past several years. The problem was identified in late 2016 and the accounting system and procedures revised by management to address the problem. However, as a result, a correcting audit adjustment to restate the water meter deposit account cash balance at January 1, 2016 in the amount of \$26,284 was required. In addition, adjusting journal entries were required to reclassify receipts and expenditures to their proper accounting classification. These adjustments were material to the financial statement.

A significant deficiency is a deficiency or combination of control deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the following deficiency in internal control to be a significant deficiency:

The City was not in compliance with Kansas statute, K.S.A. 10-816, as it had checks outstanding greater than two years and not restored to the fund originally charged.

This communication is intended solely for the information and use by the Mayor and City Council and is not intended to be, and should not be, used by anyone other than those specified parties.


Jerry D. Mitchell, CPA, LLC
Nixa, Missouri
December 28, 2017

Regulatory Required Supplementary Information

City of Frontenac, Kansas

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

Funds	Certified Budget	Expenditures in Current Year	Variance- Favorable (Unfavorable)
General Funds	\$ 2,533,255	\$ 2,096,292	\$ 436,963
Special Revenue Funds			
Special Highway	100,072	74,207	25,865
Special Parks & Recreation	82,200	75,925	6,275
Debt Service Funds			
Bond & Interest	404,381	397,192	7,189
Enterprise Funds			
Water	687,678	459,306	228,372
Sewer	460,388	434,165	26,223
Total	<u>\$ 4,267,974</u>	<u>\$ 3,537,087</u>	<u>\$ 730,887</u>

City of Frontenac, Kansas

GENERAL FUND

Summary of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2016 Actual	2015 Actual	2016 Budget	Variance- Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 747,717	\$ 657,190	\$ 747,571	\$ 146
Motor Vehicle (& RV) Tax	113,636	109,125	99,724	13,912
Franchise Tax (Inc Pilot)	440,687	422,042	397,530	43,157
Liquor Tax	2,679	0	-	2,679
Sales and Use Tax	1,000,576	947,923	835,000	165,576
Licenses and Permits	11,759	10,774	7,000	4,759
Fines, Forfeitures and Penalties	76,259	88,018	80,000	(3,741)
Miscellaneous	15,076	102,215	88,750	(73,674)
Investment Income	1,408	841	750	658
Rent / Sale of Property and Equipment	17,500	-	36,000	(18,500)
Donations	13,900	14,600	12,500	1,400
Insurance and Other Reimbursements	45,869	54,391	56,750	(10,881)
Sugar Creek CDBG	-	-	37,500	(37,500)
Miscellaneous Grants	-	-	-	-
Total Cash Receipts	\$ 2,487,066	\$2,407,119	\$ 2,399,075	\$ 87,991
Expenditures:				
General Government	\$ 699,186	\$ 773,294	\$ 760,749	\$ 61,563
Police Department	630,143	632,926	660,492	30,349
Fire Department	175,691	182,269	235,325	59,634
Municipal Court	168,193	182,832	210,000	41,807
Civil Defense	13,427	12,991	15,000	1,573
Street Department	103,853	167,824	270,553	166,700
Cemetery	9,105	10,298	23,500	14,395
Street Lighting	47,070	42,631	47,500	430
Debt Service-KDOT Revolving Loans	-	-	-	-
Miscellaneous	57,483	98,473	115,000	57,517
Grant Participation	-	0	7,500	7,500
Cultural Activities	5,483	1,294	22,000	16,517
Engineering	99,527	88,513	105,636	6,109
Economic Development	-	10,299	10,000	10,000
Grant Project Expense	-	-	-	-
Transfer to Other Funds	87,131	92,351	50,000	(37,131)
Total Expenditures	\$ 2,096,292	\$2,295,995	\$ 2,533,255	\$ 436,963
Receipts Over (Under) Expenditures	\$ 390,774	\$ 111,124	\$ (134,180)	\$ 524,954
Unencumbered Cash, Beginning	210,914	99,790		
Unencumbered Cash, Ending	\$ 601,688	\$ 210,914		

City of Frontenac, Kansas

SPECIAL HIGHWAY FUND

Summary of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2016 Actual	2015 Actual	2016 Budget	Variance- Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
State Allocations	\$ 91,084	\$ 90,318	\$ 89,830	\$ 1,254
County Allocations	12,261	12,035	10,960	1,301
Miscellaneous	-	-	-	-
Total Cash Receipts	\$ 103,345	\$ 102,353	\$ 100,790	\$ 2,555
 Expenditures:				
Personal Service	\$ 67,497	\$ 72,351	\$ 83,372	\$ 15,875
Contractual Service	6,620	3,329	11,000	4,380
Commodities	90	974	5,700	5,610
Capital Outlay	-	-	-	-
Other Miscellaneous Expense	-	-	-	-
Total Expenditures	\$ 74,207	\$ 76,654	\$ 100,072	\$ 25,865
 Receipts Over (Under) Expenditures	\$ 29,138	\$ 25,699	\$ 718	\$ 28,420
 Unencumbered Cash, Beginning	53,880	28,181		
 Unencumbered Cash, Ending	\$ 83,018	\$ 53,880		

City of Frontenac, Kansas

SPECIAL PARKS AND RECREATION FUND Summary of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis For the Year Ended December 31, 2016 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2016 Actual	2015 Actual	2016 Budget	Variance- Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Liquor tax	\$ 7,841	\$ 10,002	\$ 10,832	\$ (2,991)
County Allocations	-	-	600	(600)
Charges for Services - Pool	11,149	11,589	12,500	(1,351)
Miscellaneous Revenue, Reimbursements	3,796	1,500	7,500	(3,704)
Transfers From Other Funds	50,000	50,000	50,000	-
Total Cash Receipts	\$ 72,786	\$ 73,091	\$ 81,432	\$ (8,646)
Expenditures:				
Personal Service	\$ 38,862	\$ 32,157	\$ 46,000	\$7,138
Commodities	13,439	11,433	9,500	(3,939)
Contractual Service	19,107	31,288	18,700	(407)
Capital Outlay	4,423	-	8,000	3,577
Miscellaneous	94	-	-	(94)
Total Expenditures	\$ 75,925	\$ 74,878	\$ 82,200	\$6,275
 Receipts Over (Under) Expenditures	 \$ (3,139)	 \$ (1,787)	 \$ (768)	 \$ (2,371)
 Unencumbered Cash, Beginning	 3,568	 5,355		
 Unencumbered Cash, Ending	 \$429	 \$3,568		

City of Frontenac, Kansas

BOND & INTEREST FUND

Summary of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2016 Actual	2015 Actual	2016 Budget	Variance- Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 177,512	\$ 255,023	\$ 185,343	\$ (7,831)
Motor Vehicle (& RV) Tax	43,558	35,151	39,780	3,778
Special Assessments	19,620	810	-	19,620
Payment in Lieu of Tax	-	-	2,470	(2,470)
Lease Rental Income and Misc	102,900	129,600	75,600	27,300
Total Cash Receipts	\$ 343,590	\$ 420,584	\$ 303,193	\$ 40,397
Expenditures:				
Debt Service	\$ 397,192	\$ 339,834	\$ 404,381	\$ 7,189
Total Expenditures	\$ 397,192	\$ 339,834	\$ 404,381	\$ 7,189
Receipts Over (Under) Expenditures	\$ (53,602)	\$ 80,750	\$ (101,188)	\$ 47,586
Unencumbered Cash, Beginning	190,067	109,317		
Unencumbered Cash, Ending	\$ 136,465	\$ 190,067		

City of Frontenac, Kansas

**EQUIPMENT RESERVE FUND
Summary of Cash Receipts and Expenditures - Actual
Regulatory Basis**

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2016 Actual</u>	<u>2015 Actual</u>
Cash Receipts:		
Taxes and Shared Revenue:		
Investment Income	\$ -	\$ -
Transfer From Other Funds	45,425	42,351
Total Cash Receipts	<u>\$ 45,425</u>	<u>\$ 42,351</u>
 Expenditures:		
Capital expenditures	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
 Receipts Over (Under) Expenditures	<u>45,425</u>	<u>42,351</u>
 Unencumbered Cash, Beginning	<u>181,951</u>	<u>139,600</u>
 Unencumbered Cash, Ending	<u><u>\$ 227,376</u></u>	<u><u>\$ 181,951</u></u>

City of Frontenac, Kansas

WATER FUND

Summary of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2016 Actual	2015 Actual	2016 Budget	Variance- Favorable (Unfavorable)
Cash Receipts:				
Utility Charges	\$ 533,102	\$ 529,641	\$ 490,000	\$ 43,102
Maintenance Fee	12,659	10,811	12,000	659
Connects and Disconnects	0	0	2,000	(2,000)
Miscellaneous Revenue	9,835	2,637	5,000	4,835
Penalties	21,059	17,922	12,000	9,059
Proceeds from Water Loan/CDGB	-	-	-	-
Total Cash Receipts	\$ 576,655	\$ 561,011	\$ 521,000	\$ 55,655
Expenditures:				
Personal Services	\$ 138,701	\$ 153,337	\$ 196,478	\$ 57,777
Contractual Services	101,350	116,404	133,750	32,400
Commodities	61,060	52,294	101,450	40,390
Miscellaneous/Water Protection/Clean Water Fee	9,125	9,842	6,000	(3,125)
Capital Outlay	26,510	38,380	135,000	108,490
Debt Service and KDHE Reimbursement	90,225	60,000	100,000	9,775
Transfer to Other Fund	32,335	0	15,000	(17,335)
Total Expenditures	\$ 459,306	\$ 430,257	\$ 687,678	\$ 228,372
 Receipts Over (Under) Expenditures	 \$ 117,349	 \$ 130,754	 <u>\$ (166,678)</u>	 <u>\$ 284,027</u>
 Unencumbered Cash, Beginning, Restated	 <u>430,601</u>	 <u>286,705</u>		
 Unencumbered Cash, Ending	 <u>\$547,950</u>	 <u>\$417,459</u>		

City of Frontenac, Kansas

SEWER FUND

Summary of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2016 Actual	2015 Actual	2016 Budget	Variance- Favorable (Unfavorable)
Cash Receipts:				
Utility Charges	\$ 405,410	\$ 400,435	\$ 385,000	\$ 20,410
Miscellaneous Revenue	923	15,514	1,500	(577)
Proceeds from KDHE Loan	173,155	-	-	173,155
Transfer From Other Funds	-	-	-	-
Total Cash Receipts	<u>\$ 579,488</u>	<u>\$ 415,949</u>	<u>\$ 386,500</u>	<u>\$ 192,988</u>
Expenditures:				
Personal Services	\$ 79,645	\$ 63,343	\$ 103,638	\$ 23,993
Contractual Services	97,592	69,408	71,200	(26,392)
Commodities	34,548	17,192	47,550	13,002
Capital Outlay	44,979	12,580	63,000	18,021
Debt Service	171,987	171,987	175,000	3,013
Miscellaneous	1,267	-	-	(1,267)
Transfer to Other Fund	4,147	-	-	(4,147)
Total Expenditures	<u>\$ 434,165</u>	<u>\$ 334,510</u>	<u>\$ 460,388</u>	<u>\$ 26,223</u>
 Receipts Over (Under) Expenditures	 \$ 145,323	 \$ 81,439	 <u>\$ (73,888)</u>	 <u>\$ 219,211</u>
 Unencumbered Cash, Beginning, Restated	 <u>141,919</u>	 <u>47,338</u>		
Unencumbered Cash, Ending	<u>\$287,242</u>	<u>\$128,777</u>		

City of Frontenac, Kansas

TEMPORARY NOTE-SEWER PROJECT FUND Summary of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2016</u>	<u>2015 Actual</u>
Cash Receipts:		
Proceeds from Temporary Note	\$ -	\$ 225,000
Transfer from Water Fund	28,188	-
Total Cash Receipts	<u>\$ 28,188</u>	<u>\$ 225,000</u>
Expenditures:		
Personal Service	\$ -	\$ -
Contractual Service	-	-
Commodities	-	-
Return of Loan Proceeds	228,170	-
Other Miscellaneous Expense	566	24,452
Total Expenditures	<u>\$ 228,736</u>	<u>\$ 24,452</u>
Receipts Over (Under) Expenditures	\$ (200,548)	\$ 200,548
Unencumbered Cash, Beginning	\$ 200,548	\$ -
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 200,548</u>

City of Frontenac, Kansas

METER DEPOSIT FUND
Summary of Cash Receipts and Cash Disbursements
Regulatory Basis
For the Year Ended December 31, 2016

	<u>Beginning Cash Balance, Restated 12/31/15</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Meter Deposits, restated	<u>\$ 23,538</u>	<u>\$ 13,610</u>	<u>\$ 10,476</u>	<u>\$ 26,672</u>